GOVERNMENT OF INDIA
TOURISM
LOK SABHA

UNSTARRED QUESTION NO:1964
ANSWERED ON:09.03.2015
PERFORMANCE OF ITDC HOTELS
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Will the Minister of TOURISM be pleased to state:

(a) whether ITDC hotels are running in huge losses;

(b) if so, the details thereof;

(c) whether the Government has taken any steps to increase the percentage of occupancy in the hotels and to improve the performance of ITDC Hotels and if so, the details thereof;

(d) whether the Government has taken cognizance of ITDC Hotels violating the capital market guidelines of SEBI; and

(e) if so, the action taken by the Government in this regard?

Answer

MINISTER OF STATE FOR TOURISM (INDEPENDENT CHARGE) (DR. MAHESH SHARMA)

(a) and (b): India Tourism Development Corporation (ITDC) Ltd. runs fifteen hotels in the country. Some of these are running in losses. The hotel- wise and year-wise details of loss and profi- tability for the last three years are given in Annexure.

The reasons for losses in hotels are as under:

1. Spurt in availability of overall room supply position as compared to demand.

2. High wage cost.

3. Weakening of global economy have contributed to a room supply vs. demand mismatch.

4. Reducing average room recovery due to high competition.

(c): ITDC has already initiated the steps to boost the profitability by taking following measures:

Investment in Human Resource Development and brand management.

Establishing Customer Relationship Management System (CRM) to enhance the customer focus.

Aggressive marketing in India as well as abroad through participation in major Travel Marts and organizing Food Festivals.

Carrying out renovation/ refurbishment works in ITDC hotels.

Launching e-marketing and thus laying greater focus on B2C (Business 2 Customer) market.

The 4+1 dimensions Balanced Score Card System (BSC) approach has been adopted for necessary performance management and evolving execution strategy.

Smart Hotel Initiatives (SHI) have been implemented to get customer experiences and use analytics to improve performance and bring about change in service delivery standards.

(d) and (e): ITDC has not violated any capital market guidelines of SEBI (Securities and Exchange Board of India) nor it has received any notice for the same.